
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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School Property Tax Control Board Meeting Minutes August 19, 2004

The monthly meeting of the School Property Tax Control Board was held on August 19, 2004. The meeting was held in the Indiana Government Center South, Conference Center Room 2, 302 West Washington Street, Indianapolis, IN 46204. Present for the meeting was Patty Bond, Carlyn Johnson, Chuck Nemeth, Joe Bronnert, Ken Barnes, Dave Bowen, Bob Harris and Teresa Hemmerle, Administrative Officer.

Minutes and Discussion: June 17, 2004 and July 15, 2004 meeting minutes.

Northern Community Schools, Tipton County: Officials requested approval of a pension bond issue in the amount of \$2,550,000. The tax rate impact is \$0.0963. The term of the bond is 18 years. The neutrality is within the Bond Resolution and states the Capital Projects and/or Bus Replacement will be reduced to offset the debt. This issue will eliminate the unfunded liability.

Present for the hearing was Lee Williford, Superintendent; Sandy Richey, Corporation Secretary and Karl Sturbaum, Bose McKinney & Evans.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting a \$2.55 million pension bond. The initial actuarial study by McCreedy and Keene reported a present value of the unfunded liability as of 6/30/01 of \$1,928,658. The liability was recalculated as of 12/31/03 since negotiations were completed and the present value increased to \$2,130,636. Since the first actuarial study was completed, \$396,795 was paid to retirees out of the General fund and is included in the \$2.55 million pension bond request. A 403(b) plan has been established. Officials have determined to set aside \$100,000 to fund those who say they will retire before 2005. Officials plan to reduce the Capital Projects and Bus Replacement funds to offset the debt. The bond issue will eliminate the unfunded liability.

Mr. Nemeth said he was confused by the two actuarial studies. The present value increased, but the 6/30/01 liability should not change. He asked if there was an error in the first study. The Superintendent said the first study was completed as negotiations with teachers were continuing. He said teachers accumulated more sick leave between the 2001 study and the completion of negotiations in 2003, so more was due.

Mr. Barnes felt the control board could only allow a bond issue for up to the 6/30/01 liability. Mr. Sturbaum said there were payments made out of the General fund that are also included in the bond request. Mr. Barnes said he understood that was included, but felt the liability was

limited to 6/30/01. Mr. Sturbaum noted the added line for the present value on page one of the hearing information sheet. Mr. Nemeth said all others have reported a decreased amount.

Motion: Mr. Barnes made a motion to table the issue to the next meeting and asked if they could bond for more than the 6/30/01 liability. Mr. Nemeth seconded the motion, which favorably carried 7-0.

Mr. Barnes noted if he is wrong about the bond issue being limited to the 6/30/01 liability, he asked that the DLGF Commissioner consider his motion as an approval.

Richland-Bean Blossom Community School Corporation, Monroe County: Officials requested approval of a pension bond issue in the amount of \$2,500,000. The tax rate impact is \$0.04. The term of the bond is 20 years. The neutrality is within the Bond Resolution and states the Capital Projects will be reduced to offset the debt, with Bus Replacement if necessary. The bond issue is expected to eliminate the unfunded liability.

Present for the hearing was Judy Demuth, Superintendent and Karl Sturbaum, Bose McKinney & Evans.

Comments: The Superintendent spoke about the proposed pension bond issue. The school corporation is comprised of 2,700 students and 283 full-time employees. The current plan includes a bridge payment plus a payment for accumulated sick days. The present value of the unfunded liability is \$2,503,876. The language is in place to replace the old plan with a funded plan. The negotiations are almost complete. The proposed bond issue will eliminate the unfunded liability. New teachers will be placed on a match plan.

Mr. Nemeth asked if officials plan to establish a fund 63 to cover future benefit changes or increases. The Superintendent said not at this time. Mr. Nemeth asked if officials not anticipating getting in this position again. The Superintendent replied no since they do not pay retirees health insurance.

Ms. Bond asked how close officials were to wrapping up negotiations. The Superintendent said the new contract should be ratified this month. Ms. Bond asked what would happen if the contract was not ratified and the Superintendent said an agreement would be reached.

Mr. Barnes voiced his concern of approving a bond issue when negotiations are ongoing. He feels when a dollar value is known, then negotiations are done. The Superintendent said the contract is written, they just need the teachers to sign.

Mr. Bronnert asked why the term of twenty years. The Superintendent said the keep the Capital Projects fund at a level to maintain their older facilities.

Motion: Mr. Bronnert made a motion to approve a pension bond issue in the amount of \$2.5 million. Mr. Barnes seconded the motion, which favorably carried 7-0.

Southeastern School Corporation, Cass County: Officials requested approval of a pension bond issue in the amount of \$2,145,000. The tax rate impact is \$0.0828. The term of the bond is 10 years. The neutrality is within the Bond Resolution and states the Capital Projects, Transportation and/or Bus Replacement funds will be reduced to offset the debt. The buyout will eliminate the unfunded liability for the severance payment and a plan has been developed to fund and eventually eliminate the retirement bridge payment.

Present for the hearing was Darlene Martin, Treasurer; Damian Maggos, City Securities and Karl Sturbaum, Bose McKinney & Evans.

Comments: The Treasurer spoke about the proposed pension bond issue. Officials are requesting a bond issue in the amount of \$2,145,000. An actuarial study was completed by Educational Services Company and reported a present value of the unfunded pension liability as \$2,334,744 using a discount rate of 3% to 5%. A 403(b) annuity plan is now in place and those hired after June 30, 2000 qualify for this plan only. They do not offer health insurance upon retirement. The bond issue will eliminate the unfunded liability. Officials plan to reduce the Capital Projects and Bus Replacement funds to offset the debt.

Mr. Bronnert asked if a discount rate of 5% were used, would the present value go up or down and Mr. Sturbaum replied it would go up.

Mr. Nemeth asked if a fund 63 has been established and the Treasurer replied no since they do not pay health insurance to retirees. Mr. Nemeth asked how future increases would be handled. Mr. Sturbaum replied officials would establish a fund 63 if benefits increase in the future.

Mr. Harris asked why school officials were not requesting the entire present value of \$2.3 million. The Treasurer said they did not feel they needed the entire amount.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$2,145,000. Mr. Bowen seconded the motion, which favorably carried 7-0.

North Lawrence Community Schools, Lawrence County: Officials requested approval of a pension bond issue in the amount of \$10,500,000. The tax rate impact is \$0.1136. The term of the bond is 20 years. The neutrality is stated within the bond resolution and will be made through a combination of Capital Projects and Bus Replacement, but the Capital Projects fund will be reduced the first year of repayment. The bond issue eliminates the unfunded liability for certified employees. Non-certified employees are not covered under the buyout plan. Non-certified staff does not receive bridge payments or health insurance benefits from the school corporation. Non-certified staff can receive a severance pay benefit that could vary from a max of \$1,683 to a max of \$13,200, depending on job category and accumulated sick days. NLCS has averaged approximately 2 retirees per year in this group.

Present for the hearing was Dennis Turner, Superintendent; Nancy Lumley, Director of Business Services; Damian Maggos, City Securities; Doug Cassman, Educational Services and Karl Sturbaum, Bose McKinney & Evans.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting a bond issue in the amount of \$10,500,000. An actuarial study performed by Educational Services Company reported a present value of over \$18 million. Officials have implemented a 403(b) match plan and this new plan was ratified at the end of the last school year. The bond issue will eliminate the unfunded liability for the certified staff. Officials plan to offset the debt using the Capital Projects fund.

Mr. Bowen asked if the requested amount is \$10.5 million and the Superintendent replied yes. Mr. Bowen questioned the difference between the bond issue request and the amount reported on page one of the hearing information sheet. Mr. Maggos said the difference was in the top portion of the page. Ms. Lumley noted there would be an expenditure of interest upon the sale of the bonds.

Ms. Bond asked if the top portion of page one should reflect an amount of \$10,355,000 and school officials replied yes. Ms. Bond requested a revised hearing information sheet be submitted to the DLGF.

Mr. Nemeth asked if there was some severance for non-certified staff. School officials replied yes, but they receive no health insurance benefits and do not expect an increase in this area. Mr. Nemeth asked if officials have established a fund 63 for the non-certified staff and the Superintendent replied no. The Superintendent explained those benefits were frozen at a set number of days and amount per day, so expect no growth in this liability.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$10,500,000. Mr. Bowen seconded the motion, which favorably carried 6-1. Mr. Barnes cast the dissenting vote.

South Harrison Community School Corporation, Harrison County: Officials requested approval of a lease rental agreement with maximum annual payments of \$3,850,000 for 22 years. Total project costs are \$30 million. The tax rate impact is \$0.1729 with a new facility appeal rate impact of \$0.06 expected. The taxpayer appointed by the County opposed the common construction wage scale that was adopted. There was no application for a petition and remonstrance filed.

Present for the hearing was Neyland Clark, Superintendent; David Wimmer, Hilliard Lyons and Karl Sturbaum, Bose McKinney & Evans.

Project: The project involves improvements to Corydon Elementary, Corydon Intermediate and Corydon Central Jr./Sr. High School. The project will upgrade the schools' infrastructure, expand and modernize educational space and address safety and security issues.

Comments: The Superintendent spoke about the proposed project. The project is for improvements at the Corydon campus with projected hard costs of \$25 million and soft costs of \$5 million. The project impacts three of the four buildings on the Corydon campus where 65% of the students in the district attend. There has been no opposition to this project. Officials feel the project is within their financial means. The district is fortunate to receive a portion of \$3

million in county gaming funds to reduce their debt rate. The tax rate impact of this project is \$0.61 without these additional funds. Officials expect the debt rate to elevate in 2005 then drop in 2006. The project at the high school includes a small auxiliary gymnasium and addresses the science and math areas. The project at Corydon Intermediate School involves updating the boiler and expanding educational space.

Ms. Bond asked how many new classrooms would be added with this project. The Superintendent was not able to give a total number. The high school will get a new science wing and the band room will be converted into a large presentation room to be used as classes or community use. There will be eight additional Kindergarten rooms at the elementary school due to the full-day Kindergarten program that is currently funded by riverboat money. They will also adapt the cafeteria/gymnasium into a multi-purpose room for large gatherings. The intermediate school will have a whole new instructional wing, expanded media center and address HVAC and hot water problems. This facility was the old high school.

Mr. Bronnert asked officials to explain the \$3 million in funds. The Superintendent explained the \$3 million in county funding is shared by the three county school corporations. Mr. Bronnert asked if the funds affected the estimated payments and the Superintendent said no, they assumed worse case scenario of not receiving those funds.

Mr. Harris asked if the riverboat money is used to reduce the debt service tax rate. The Superintendent explained there are two types of revenue they receive. One revenue has a planned use and the second is used to reduce debt service. Mr. Harris asked if the debt service tax rate was reduced in 2004. The Superintendent said they expect it will in 2005, but it was not in 2004 due to an error by the DLGF field representative. Mr. Harris asked if school officials noted this error through the 1782 notice and the Superintendent said they overlooked the error. Mr. Harris asked if the Capital Projects fund would be used for this project. The Superintendent said some, but they are currently completing another project.

Mr. Bronnert asked if school officials plan to pursue a pension bond issue and the Superintendent said no.

Mr. Bowen noted the taxpayer appointed by the county opposed the common wage scale that was adopted. The Superintendent said that individual felt the adopted wage was too high. Mr. Bowen noted the architect fees seemed low. Mr. Bowen asked if there would be a construction manager. The Superintendent said they have signed for that service as an AIA-type contract with Shireman. The Superintendent said the construction manager component of the project has become a political issue. Some board members felt one was needed, some did not. This is a complex project and occurs during the school year. This company came in well below the others and is located in the area. Mr. Nemeth felt it was good to see a project with lower fees than typically seen by the control board.

Ms. Johnson asked if there was full-day Kindergarten currently in the district and the Superintendent said yes. Ms. Johnson asked if the program would be expanded and the Superintendent said yes, but they need more space for the program. This school year is the first year that full-day Kindergarten is available to all students at the four elementary schools. Ms.

Johnson asked if half-day Kindergarten was still available and the Superintendent said it was an option of the parent. Ms. Johnson asked what percentage of students attend full-day Kindergarten and the Superintendent said virtually all of them.

Ms. Bond asked if the Capital Projects funds of \$1.5 million were not included in the proposed lease payments and the Superintendent replied yes. Ms. Bond asked if the lease payments would be reduced if the Capital Projects funds were used for this project and the Superintendent said no. The funds would be used to install surveillance equipment that allows local law enforcement to see inside the buildings through their patrol car computers. Ms. Bond asked how many people comprise their school board and the Superintendent said 7. Ms. Bond noted the school board vote at the lease hearing was 6 to 0 and the Superintendent said one member was absent.

Mr. Bronnert asked if there were three buildings in the school corporation and the Superintendent replied eight. He said three of the four facilities on the Corydon campus will be impacted by this project. Mr. Bronnert asked about the status of the other facilities in the district. The Superintendent said they have been renovated since 1996. They may need to expand facilities on the southern end of the district due to population growth. Mr. Bronnert asked if this project addressed educational needs and not growth and the Superintendent replied yes.

Motion: Mr. Barnes made a motion to approve a lease rental agreement with maximum annual payments of \$3,850,000 for 22 years. Ms. Johnson seconded the motion, which favorably carried 7-0.

Southwestern Jefferson Consolidated School Corporation, Jefferson County: Officials requested approval of a pension bond issue in the amount of \$1,550,000. The tax rate impact is \$0.0696. The term of the bond is 15 years. The bond resolution states the Capital Projects and/or Bus Replacement will be reduced to offset the debt, with the Bus Replacement to be used the first year of repayment. The bond issue will eliminate the unfunded liability.

Present for the hearing was Dan Schroeder, Superintendent and Karl Sturbaum, Bose McKinney & Evans.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials request a pension bond issue in the amount of \$1,550,000. The actuarial study completed by Educational Services Company reported a present value of \$2,434,265. The old plan includes a one-time severance payment up to \$10,000, \$2,100 per year for up to eight years and another payment for unused sick days and years of service. Officials are currently in negotiations with the teachers' association for a three-year contract and are looking to implement a 401(a) and VEBA plan. Officials expect to reduce the Capital Projects and Bus Replacement funds to offset the debt. The bond issue should eliminate the unfunded liability.

Mr. Barnes questioned the bonding capacity. Mr. Sturbaum said it is \$4.5 million. Mr. Barnes asked if it was early to issue bonds when negotiations are ongoing. School officials said this is an issue of contract language, not the need for the bond issue.

Mr. Nemeth asked if school officials have established a fund 63. The Superintendent said no, but would in the future.

Motion: Mr. Nemeth made a motion to approve a pension bond issue in the amount of \$1,550,000. Ms. Johnson seconded the motion, which favorably carried 7-0.

Southwest School Corporation, Sullivan County: Officials requested approval of a pension bond issue in the amount of \$7,500,000. The tax rate impact is \$0.1438. The term of the bond is 15 years. The Neutrality Resolution states the Capital Projects, Bus Replacement and Transportation will be reduced in 2005 to offset the debt. The bond issue will greatly reduce the unfunded liability. The only remaining liability will be the payment of \$25 per day of unused sick leave up to a maximum of 270 days. The unfunded liability for sick leave as of September 30, 2003 was \$571,837.50.

Present for the hearing was Robert Medsker, Superintendent; Richard Bramer, School Attorney; Steve Meno, Fifth Third Securities and Dennis Otten, Sommer Barnard.

Comments: The bond counsel spoke about the proposed pension bond issue. School officials are seeking approval of a \$7.5 million pension bond issue.

Ms. Bond asked about the changes to the plan. The Superintendent said they will eliminate the retirement benefits by establishing a 401(a) and VEBA. Officials have been working on this problem for the last two years. They have changed insurance carriers and increased the individual health insurance contributions to reduce costs to the school corporation. Ms. Bond asked what fund or funds would be used to offset the debt and the Superintendent replied Capital Projects and Bus Replacement funds. Ms. Bond asked if the Transportation fund would be reduced to offset the debt and the Superintendent replied no.

Mr. Nemeth asked about the remaining liability. The Superintendent said the sick day pay was reduced to \$25 per day and to a maximum payment of \$6,725.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$7.5 million. Ms. Johnson seconded the motion, which favorably carried 7-0.

Fremont Community Schools, Steuben County: Officials requested approval of a pension bond issue in the amount of \$3,500,000. The tax rate impact is \$0.0461. The term of the bond is 13 years. The Neutrality Resolution states the Capital Projects fund and Bus Replacement, if necessary, will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Ben Roederer, Superintendent; Steve Foley, School Board President and Phil Gutman, Hilliard Lyons.

Comments: The Superintendent spoke about the proposed pension bond issue. The actuarial study completed by Educational Services Company reported a present value of over \$10.8 million. Officials request approval of a pension bond issue in the amount of \$3.5 million. They

have been through several years of bargaining and a contract has been settled and approved. Officials plan to reduce the Capital Projects fund to offset the debt. They project less than a 15-year payout.

Ms. Bond asked about the school board vote of 4-2-1. The Superintendent said some board members felt this was a commitment made by prior school boards that they should not have to deal with.

Mr. Nemeth asked if a fund 63 has been established. The Superintendent said they will be establishing this fund.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$3,500,000. Mr. Nemeth seconded the motion, which favorably carried 7-0.

Hamilton Community School Corporation, Steuben/Dekalb County: Officials requested approval of a pension bond issue in the amount of \$400,000. The General fund will cover an additional \$29,500. The tax rate impact is \$0.0141. The term of the bond is 20 years. The hearing information sheet states the Capital Projects fund will be reduced to offset the debt. The bond issue will reduce the unfunded liability. The bond issue along with future annual contributions will fund the severance benefit. The payment for accumulated sick days will occur at the time of retirement. The maximum unfunded liability for unused sick days is \$148,500 to be paid between 2004 and 2032.

Present for the hearing was Mark Gould, Superintendent; Gary Presley, School Board President; Chip Hampel, Hilliard Lyons and Jeff Qualkinbush, Barnes & Thornburg.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials have been exploring options to fund this liability. They currently have a 401(a)/403(b) plan in place. Officials believe this bond issue will greatly reduce, if not eliminate, the unfunded liability. The teachers and school board have approved the plan. They will reduce the Capital Projects fund in 2005, which will force them to put some projects on hold or reduce emergency allocations.

Mr. Bronnert asked what the \$49,500 represented. Mr. Hampel said that would come from the General fund. Mr. Bronnert asked how much interest would be on \$400,000 for a term of twenty years. Mr. Hampel said it would be \$357,000 assuming a 7% interest rate, which is high. Mr. Bronnert felt a twenty-year term seemed high for such a small bond issue. The Superintendent said they were going to try to reduce it. Mr. Hampel said the Capital Projects fund is at the maximum tax rate, so this is a true reduction.

Ms. Bond asked how many students comprise the district and the Superintendent said 656 as of the count last year.

Mr. Nemeth asked if a fund 63 has been established and the Superintendent said no.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$400,000. Mr. Bowen seconded the motion, which favorably carried 7-0.

Beech Grove City Schools, Marion County: Officials requested approval of a pension bond in the amount of \$5,490,000. The tax rate impact is \$0.0733. The term of the bond is 20 years. The hearing information sheet states the Capital Projects and Bus Replacement funds will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Rex Sager, Superintendent; Ross Sloat, Assistant Superintendent; Tom Grabill and Nate Day, Educational Services and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials request approval of a pension bond in the amount of \$5,490,000. The Capital Projects fund will be the primary source of reduction to offset the debt, with the remaining from the Bus Replacement fund. The school board has approved the bond issue and there has been no objections raised by the community. An agreement has been reached with the teachers. Officials do not believe they will have the need to establish a fund 63.

Ms. Bond noted the twenty-year term was a long time. The Superintendent replied it was their goal to attain a 100% buy out of the old plan.

Ms. Johnson questioned the difference between the present value of the unfunded liability and the buy out. Mr. Grabill said the buy out was at a higher interest rate than the 2.5% discount rate.

Motion: Mr. Bowen made a motion to approve a pension bond issue in the amount of \$5,490,000. Ms. Johnson seconded the motion, which favorably carried 7-0.

Union County/College Corner United School District, Union/Franklin County: Officials requested approval of a pension bond issue in the amount of \$1,600,000. The tax rate impact is \$0.0469. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects and/or Bus Replacement will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Mark Ransford, Superintendent; Dave Wimmer, Hilliard Lyons and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. An actuarial study reported a present value of \$1,933,000. A buyout of \$1.6 million has been approved by the teachers. Officials intend to reduce the Bus Replacement and Capital Projects funds to offset the debt.

Ms. Bond said the term of twenty-years was a long time for a bond issue of \$1.6 million. The Superintendent replied they cannot cut existing funds any further than would be necessary with this term. Ms. Bond asked how many buildings were in the school corporation and the Superintendent said four. Ms. Bond asked if the Capital Projects fund was at the maximum tax rate and the Superintendent replied no. Ms. Bond asked if the term was dictated by the neutrality

requirement. The Superintendent said yes, they are just finishing a construction project that used some Capital Projects fund money.

Mr. Nemeth asked if school officials felt there was no need to establish a fund 63. The Superintendent said no because they are doing an immediate buy out.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$1.6 million. Mr. Bronnert seconded the motion, which favorably carried 7-0.

New Castle Community School Corporation, Henry County: Officials requested approval of a pension bond issue in the amount of \$5,000,000. The tax rate impact is \$0.0905. The term of the bond is 10 years. The Neutrality Resolution states the Capital Projects, Transportation and/or Bus Replacement funds will be reduced in 2005 to offset the debt. All the unfunded liability that existed on 6/30/01 will be eliminated.

Present for the hearing was Dr. John Newby, Superintendent; Randy Ruhl, City Securities and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials began meeting last spring with the teachers' association to negotiate an agreement. After two meetings, they reached an agreement to buy out all of the unfunded liability. The school board has also approved the plan. Officials will reduce the Capital Projects fund in 2005 and Bus Replacement is an option in future years. They plan for a ten-year repayment of the bond issue. There were no questions or comments from the public at the August school board meeting. A fund 63 is not an issue as they will have no future liability.

Mr. Harris noted the Transportation fund was listed as an option in the neutrality resolution. Mr. Harris noted the adverse effect of a reduction to the Transportation fund due to Senate Bill 1. The Superintendent replied it was unlikely they would reduce the Transportation fund, but they wanted to list it as an option.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$5 million. Mr. Bronnert seconded the motion, which favorably carried 7-0.

Rensselaer Central School Corporation, Jasper County: Officials requested approval of a pension bond issue in the amount of \$2,000,000. The tax rate impact is \$0.0495. The term of the bond is 10 years. The hearing information sheet states the Capital Projects and Bus Replacement will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Steve York, Superintendent; Ed Dumas, School Attorney; Lonnie Therber, Therber & Brock and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting approval of a \$2 million pension bond issue. The actuarial study was performed by Educational Services Company. An agreement has been reached with the teachers and was

approved by the school board. Officials are comfortable with the reduction coming out of the Capital Projects fund in 2005. They see no need to establish a fund 63 at this time.

Motion: Mr. Bronnert made a motion to approve a pension bond issue in the amount of \$2 million. Mr. Nemeth seconded the motion, which favorably carried 7-0.

Crawfordsville Community School Corporation, Montgomery County: Officials requested approval of a pension bond issue in the amount of \$5,110,000. The tax rate impact is \$0.0758. The term of the bond is 20 years. The Neutrality Resolution states the Bus Replacement fund will be reduced in 2005 to offset the debt. The bond issue will greatly reduce the existing unfunded liability. An estimated \$300,000 liability will remain.

Present for the hearing was Kathleen Steele, Superintendent; Paul Pfledderer, Business Manager; Dale Petrie, School Board President; Scott Bowling, Assistant Principal; C. Rex Henthorn, School Attorney; Angie Steeno and Dan Kramer, Crowe Chizek and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials have been through 24 months of study and negotiations to find a solution to the unfunded liability. A contract was ratified at the August school board meeting. The proposed bond issue will cover all but \$200,000 to \$300,000 of the liability. Officials have already established a fund 63.

Mr. Harris asked if the discount rate starts at 5% and officials replied yes.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$5,110,000. Mr. Bronnert seconded the motion, which favorably carried 7-0.

New Prairie United School Corporation, LaPorte/St. Joseph County: Officials requested approval of a pension bond issue in the amount of \$1,575,000. The tax rate impact is \$0.0164. The term of the bond is 15 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Duane Wrightson, Superintendent and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The present value of the unfunded liability is \$1.6 million. Officials are requesting a pension bond issue in the amount of \$1,575,000. The Capital Projects fund will be reduced to offset the debt. The school board voted 5 to 0 in support of the bond issue.

Ms. Bond asked if there was an agreement with the teachers to the plan. The Superintendent said yes, it was reached this summer.

Mr. Nemeth asked about the discount rate. Mr. Peterson said 2% was used on the actuarial study and will increase ½% per year.

Mr. Barnes asked if the bond issue eliminates the unfunded liability and the Superintendent replied yes.

Mr. Nemeth asked if officials anticipate establishing a fund 63 and the Superintendent said no.

Motion: Mr. Bowen made a motion to approve a pension bond issue in the amount of \$1,575,000. Mr. Nemeth seconded the motion, which favorably carried 7-0.

Melissa Henson replaced Mr. Harris as a voting member for the remainder of the meeting.

Eastbrook Community School Corporation, Grant County: Officials requested approval of a pension bond issue in the amount of \$2,720,000. The tax rate impact is \$0.1491. The term of the bond is 15 years. The hearing information sheet states the Capital Projects fund will be reduced to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Jerry Harshman, Superintendent; Ann Zobrosky, School Attorney; Bob Cambridge, Pension Attorney; Damian Maggos, City Securities and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials have been looking into this problem since the fall of 2002. A 401(a)/403(b) has been in place for five years and has helped reduce the liability. A public presentation about the unfunded liability was held on February 24, 2003. An agreement is in place for the present value of \$2,651,188 and they are still working on the disbursal language.

Mr. Bronnert asked if they negotiated at a 5% discount rate. The school attorney said the philosophy was to go for the maximum amount possible and the discount rate was determined by the actuary.

Mr. Nemeth asked if school officials felt the fund 63 was not needed. The Superintendent said they do not think so since they do not pay for health insurance for retirees. Mr. Nemeth asked if they determined there was no statutory need for fund 63. The school attorney said they hope there will be no need to establish the fund.

Mr. Barnes commented that the levy reported on page 4 of the hearing information sheet should be higher since there is no longer ADA flat grant funds distributed by the state.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$2,720,000. Mr. Bronnert seconded the motion, which favorably carried 7-0.

Dekalb County Central United School Corporation, Dekalb County: Officials requested approval of a pension bond issue in the amount of \$6,150,000. The tax rate impact is \$0.1113. The term of the bond is 7 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. Whether the issue will eliminate or reduce the unfunded liability will be dependent on the number of eligible participants that opt for the new plan instead

of the old plan. The election of which plan to participate in by negotiation will be made after the issuance of the bonds.

Present for the hearing was Ken Fowble, Superintendent; Angie Lockwood, Business Manager and Chip Hampel, Hilliard Lyons.

Comments: The Business Manager spoke about the proposed pension bond issue. The process to review the unfunded liability began with an actuarial study in 2002. Officials spent a great deal of time discussing Senate Bill 199. They reached a four-year agreement with teachers in May 2004. Officials feel the agreement allows the proposed bond issue to eliminate the unfunded liability. They project a short repayment and are comfortable with it.

Ms. Henson asked about the amount of the liability. The Business Manager said that is difficult to calculate since the cost of different choices cannot be determined. Officials have placed caps on escalators and reduced the liability by \$3 million.

Mr. Nemeth asked if fund 63 was not needed or required. The Business Manager said not now, but may be in the future.

Motion: Mr. Bowen made a motion to approve a pension bond issue in the amount of \$6,150,000. Mr. Nemeth seconded the motion, which favorably carried 7-0.

Edinburgh Community School Corporation, Johnson/Bartholomew County: Officials requested approval of a pension bond issue in the amount of \$2,400,000. The tax rate impact is \$0.1069. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability as of June 30, 2001.

Present for the hearing was Dr. Rebecca Sager, Superintendent; Sid Baker, City Securities and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. The first session to discuss the unfunded liability was held in November 2003. An agreement was reached in April 2004 to buy out 100% of the liability. They are requesting a bond issue of \$2,400,000 to accomplish the buy out. There has been no objection from the community.

Ms. Henson asked why they have a twenty-year term on the repayment of the bond issue. The Superintendent said to lessen the impact of the reduction on the Capital Projects and Bus Replacement funds.

Mr. Barnes noted the levy listed on the hearing information sheet was higher than necessary since excise tax was left off as a source of revenue. Mr. Baker said that was done intentionally on his part to be conservative.

Mr. Nemeth asked if there was no statutory obligation for a fund 63. The Superintendent said the buy out does not include non-certified staff, so a fund 63 will be necessary.

Doug Cassman, Educational Services Company, addressed the question of different discount rates used. He said their actuarial study used a lower rate assuming the school corporation would hold the bond proceeds because schools are limited in their investment options. They feel anything over 2% is too aggressive since investments have traditionally been around 1%. Mr. Bowen asked what he meant by holding the money. Mr. Cassman replied some school corporations hold the bond proceeds and some pay out to the employees who can earn a higher interest rate. Mr. Cassman explained some actuarial firms used higher rates earlier because they were not familiar with school corporation investment limitations.

Mr. Bronnert asked if the neutrality would be accomplished through the Capital Projects fund. The Superintendent said yes, and also the Bus Replacement fund. Mr. Bronnert asked if the Capital Projects fund was at the maximum tax rate and the Superintendent replied yes. Mr. Bronnert asked if the reduction would hurt them and the Superintendent said yes, mostly in the area of technology.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$2.4 million. Mr. Nemeth seconded the motion, which favorably carried 7-0.

Griffith Public Schools, Lake County: Officials requested approval of a pension bond issue in the amount of \$5,050,000. The tax rate impact is \$0.0729. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be reduced in 2005 to offset the debt. The bond issue will reduce the unfunded liability.

Present for the hearing was William Gall, Superintendent; Tom Grabill, Educational Services and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials request approval of a \$5,050,000 pension bond issue. Officials have bought out the bridge to social security and the insurance premium subsidy.

Mr. Nemeth asked if there was a need to establish a fund 63. The Superintendent replied yes, for the severance component.

Mr. Bronnert asked if the Capital Projects fund was at the maximum tax rate and the Superintendent replied yes. Mr. Bronnert asked if the reduction would cause problems for this fund. The Superintendent said yes, but they have done a lot of remodeling of the facilities recently.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$5,050,000. Mr. Bowen seconded the motion, which favorably carried 7-0.

Seymour Community Schools, Jackson County: Officials requested approval of a pension bond issue in the amount of \$3,900,000. The tax rate impact is \$0.0220. The term of the bond is 20 years. The hearing information sheet states the Capital Projects fund will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Bob Schmielau, Superintendent; John Perkins, Business Manager; Lonnie Therber, Therber & Brock and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials request approval of a bond issue in the amount of \$3.9 million. The tax neutrality will be accomplished through the Capital Projects fund. Officials reached an agreement with teachers on July 2, 2004 and the school board has approved it. They will use the bond proceeds to but out the insurance provision of the contract only. The bridge payment and sick leave will be funded through the General fund.

Ms. Bond asked if the \$10 million present value includes all three pieces and the Superintendent said no, just the insurance. Ms. Bond asked how they will do the buy out. The Superintendent said teachers will have a VEBA account they control and is forward funded with a 1% contribution.

Mr. Nemeth asked about a fund 63 and the Superintendent said they will be establishing one.

Motion: Mr. Nemeth made a motion to approve a pension bond issue in the amount of \$3.9 million. Mr. Barnes seconded the motion, which favorably carried 7-0.

Lake Central School Corporation, Lake County: Officials requested approval of a pension bond issue in the amount of \$17,200,000. The tax rate impact is \$0.056. The term of the bond is 20 years. The Neutrality Resolution states the Bus Replacement and Capital Projects funds will be reduced in 2005 to offset the debt. The bond issue will eliminate almost all of the unfunded liability. The unfunded liability after this bond issue will be \$3,360,472 for sick days and a lump sum payment of \$2,000.

Present for the hearing was Tom Dykiel, Business Manager; Jim Merten, City Securities; Doug Cassman, Educational Services and Thomas Peterson, Ice Miller.

Comments: The Business Manager spoke about the proposed pension bond issue. They have an unfunded liability of over \$65 million. The union agreed to and ratified a buy out of \$17.2 million. They will buy out all but \$2,000 of a \$4,000 lump payment so they will now owe the \$2,000 plus \$50 per sick day upon retirement. Officials plan to reduce the Bus Replacement fund first, then Capital Projects fund for the remaining portion. Officials are purchasing larger buses to assist the Bus Replacement fund. They have seen an increase of 400 students this year.

Mr. Bowen questioned the increase reported on the bus replacement fund and decrease to the Capital Projects fund on page 4 of the hearing information sheet. Mr. Merten said discussions with school officials prior to the school board meeting determined the reduction would be made from the Capital Projects fund. He noted the comparison was between 2003 and 2005 since 2004 has not been certified.

Ms. Bond asked if additional buses were going to be purchased in 2005. The Business Manager said yes, they have some Carpenter buses to get rid of that have broken welds.

Mr. Nemeth asked if health insurance benefits have been frozen and the Business Manager said yes, at \$8,500. Mr. Nemeth asked if they have established a fund 63 and the Business Manager said they will not need it.

Ms. Henson noted the amortization schedule reflects a bond issue of \$17.7 million. Mr. Merten said he would provide a new one to the DLGF. Ms. Henson requested a revised page four of the hearing information sheet to reflect the correct tax neutrality.

Motion: Ms. Johnson made a motion to approve a pension bond issue in the amount of \$17,200,000. Mr. Nemeth seconded the motion, which favorably carried 7-0.

Mr. Merten said control board members might hear news that the Indiana Bond Bank has denied further borrowing by Lake County schools due to reassessment delays. He said they would sell this bond issue in the open market if the Bond Bank refuses to include in the pool.

Hanover Community School Corporation, Lake County: Officials requested approval of a pension bond issue in the amount of \$1,295,000. The tax rate impact is \$0.0849. The term of the bond is 13 years. The hearing information sheet states the Capital Projects fund will be reduced in 2005 to offset the debt. The bond issue removes a majority of the unfunded liability. Retirement benefits for administrators will be reconfigured in August 2004 to incorporate a pre-funded mechanism. The severance benefit paid at retirement for accumulated sick days remains (estimated at \$592,253).

Present for the hearing was Dr. Michael Livovich, Superintendent; Jeannette Bapst, Assistant to the Superintendent; Damian Maggos, City Securities and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting approval of a \$1,295,000 pension bond issue. An agreement with teachers was reached in July 2004. Officials intend to use other sources to fund administrative retirements, the bond issue covers teacher retirements. The bond issue will cover health insurance, so a fund 63 is not necessary.

Mr. Bowen questioned the savings of this debt issue due to the high up-front financial costs. Mr. Maggos explained one option is to give the Indiana Bond Bank some comfort with this issue by capitalizing first two payments so interest does get paid. The principal payments would begin in July 2006. They would still realize savings by going through the Bond Bank and paying bond counsel fees than selling in the open market. Officials hope the \$1,295,000 will cover either scenario. Mr. Bowen questioned the assessed value decrease reported on the hearing information sheet. Officials replied they reported what they used to advertise, as recommended, for their 2005 budget. They do not expect this as the pay 2005 assessed value. Ms. Henson noted the DLGF typically advises a unit advertise and adopt using a conservatively lower assessed value. Ms. Bapst said they will reduce the Bus Replacement fund the first two years, then move it to the Capital Projects fund as an energy savings contract is paid off. They do not expect the neutrality issue to affect school operations.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$1,295,000. Ms. Henson seconded the motion, which favorably carried 7-0.

North Harrison Community School Corporation, Harrison County: Officials requested approval of a pension bond issue in the amount of \$4,270,000. The tax rate impact is \$0.838. The term of the bond is 15 years. The Neutrality Resolution states the Capital Projects, Transportation and/or Bus Replacement funds will be reduced in 2005 to offset the debt. The bond issue will eliminate the unfunded liability.

Present for the hearing was Monty Schneider, Superintendent; Bob Cambridge, School Attorney; Damian Maggos, City Securities and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are seeking approval of a \$4,270,000 pension bond issue. The teachers and school board are supportive of the bond issue. The contract is ready in draft, but not finalized. A tentative agreement has been reached. The school attorney said a 401(a)/403(b) plan was established five or six years ago and has reduced the unfunded liability.

Ms. Bond asked if the Capital Projects and Bus Replacement funds would be reduced, but not the Transportation fund and the Superintendent said yes.

Ms. Henson asked if the school is receiving gaming money and the Superintendent said yes. Ms. Henson asked if it was used to reduce the debt and the Superintendent said yes, but did not get removed for 2004. He said it will be reduced in 2005 whether they receive further gaming funds or not.

Mr. Bronnert asked if the gaming money was given to them by the County Commissioners. The Superintendent said them and the County Council. They did not get the approval done by January 1, 2004. The Superintendent said it has traditionally covered half of the debt service levy. Mr. Bronnert asked what the other gaming revenue was being used and the Superintendent said for technology and full-day Kindergarten.

Ms. Bond asked if this money could be pulled at some point. The Superintendent said yes and they generally cannot plan on it for the future. They received three years of revenue to fund the full-day Kindergarten program.

Mr. Nemeth asked if bond proceeds would be disbursed to the teachers. The school attorney said they would be placed in individual 401(a) and VEBA accounts. Mr. Nemeth asked if a fund 63 would be established and the school attorney said one would not be needed.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$4,270,000. Ms. Johnson seconded the motion, which favorably carried 7-0.

Barr-Reeve Community Schools, Daviess County: Officials requested a pension bond issue in the amount of \$2,500,000. The tax rate impact is \$0.1071. The term of the bond is 15 years.

The hearing information sheet states the Capital Projects fund will be reduced in 2005 to offset the debt. The bond issue will virtually eliminate the unfunded liability.

Present for the hearing was Brian Harmon, Superintendent; Dan Kramer, Angie Steeno and Jennifer Bell, Crowe Chizek and Andy Hollenbeck and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting a pension bond issue in the amount of \$2.5 million. They have reached an agreement with the teachers' association, but it is not final as numbers are being confirmed. The bond issue will buy out all of the liability. Officials will buy down to 100 sick days, then buy back the extra days accrued each year.

Mr. Barnes asked if each year as remaining liability increases, they would buy back sick days. The Superintendent said yes for existing employees. New employees would be covered by a 401(a) and VEBA plan only. Mr. Barnes asked if officials plan to establish a fund 63 and the Superintendent replied yes to pay for the accumulated sick days over 100 days each year.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$2,500,000. Mr. Nemeth seconded the motion, which favorably carried 7-0.

Southwest Dubois County School Corporation, Dubois County: Officials requested approval of a pension bond issue in the amount of \$4,400,000. The tax rate impact is \$0.1228. The term of the bond is 20 years. The hearing information sheet states the Capital Projects fund will be reduced in 2005 to offset the debt. The bond issue will reduce the unfunded liability.

Present for the hearing was Richard Kerby, Interim Superintendent; Lonnie Therber, Therber & Brock and Thomas Peterson, Ice Miller.

Comments: The Interim Superintendent spoke about the proposed pension bond issue. They have not settled a master contract since 2000 at this school district. Officials are requesting a bond issue in the amount of \$4.4 million, which is below their bond capacity but are limited in neutralizing the Capital Projects fund.

Mr. Barnes asked if there was no plan in place to resolve this issue. The Interim Superintendent said they hope to settle the contract in the next couple of weeks. He said eleven teachers were laid off this spring, so the staff is beginning to see the effects on the budget. Mr. Barnes asked if there would be an incentive to settle the contract if the bond issue was approved and the Interim Superintendent said yes.

Ms. Bond asked if the bond issue covers the entire liability. The Interim Superintendent said no, the unfunded liability is between \$7 and \$8 million.

Motion: Mr. Barnes made a motion to approve a pension bond issue in the amount of \$4.4 million. Mr. Nemeth seconded the motion, which favorably carried 7-0.

East Washington School Corporation, Washington County: Officials requested approval of a pension bond issue in the amount of \$1,665,000. The tax rate impact is \$0.0737. The term of the bond is 15 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. The bond issue should eliminate the unfunded liability.

Present for the hearing was Gerald Rose, Superintendent; Judith Lincks, Treasurer; Robert Cambridge, School Attorney; Damian Maggos, City Securities and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting approval of a \$1,665,000 bond issue to eliminate the unfunded pension liability. They have a tentative agreement with teachers and will neutralize the debt through the Capital Projects fund.

Mr. Nemeth asked if the proceeds would be placed in VEBA accounts. The school attorney said there would be no need for a fund 63. The proceeds will be paid out, but if an individual leaves before they are vested, those funds would be redistributed to the other participants.

Ms. Johnson noted the discount rate used for this issue. Mr. Barnes explained the teachers want to see a lower rate and the school a higher rate.

Motion: Mr. Bowen made a motion to approve a pension bond issue in the amount of \$1,665,000. Ms. Johnson seconded the motion, which favorably carried 7-0.

North Daviess Community Schools, Daviess County: Officials requested approval of a pension bond issue in the amount of \$1,450,000. The tax rate impact is \$0.0605. The term of the bond is 10 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. The unfunded liability will be eliminated through the consideration of bond proceeds and General fund monies.

Present for the hearing was Bob Bell, Superintendent; Dan Kramer, Angie Steeno and Jennifer Bell, Crowe Chizek and Andy Hollenbeck and Jane Herndon, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting a bond issue in the amount of \$1,450,000 to eliminate the unfunded liability. They will reduce the Capital Projects fund to offset the debt. They do not plan to establish a fund 63 since they will only have a small, non-certified staff liability.

Mr. Nemeth asked if bond proceeds would be placed into individual accounts. The Superintendent they would place the bond proceeds into 401(a) and VEBA accounts.

Ms. Bond asked what the \$700 in miscellaneous expense reported on the hearing information sheet represented. Mr. Kramer said it was a carryover for contingencies until decided to sell through the Bond Bank.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$1,450,000. Mr. Bronnert seconded the motion, which favorably carried 7-0.

South Gibson School Corporation, Gibson County: Officials requested approval of a pension bond issue in the amount of \$3,800,000. The tax rate impact is \$0.0549. The term of the bond is 12 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2005 to offset the debt. This will eliminate the unfunded liability.

Present for the hearing was Tim Armstrong, Business Manager; Tom Grabill, Educational Services and Thomas Peterson, Ice Miller.

Comments: The Business Manager spoke about the proposed pension bond issue. Officials will place the proceeds of the bond issue in 401(a) and VEBA accounts and eliminate all of the unfunded liability.

Mr. Bronnert asked about the status of their facilities. The Business Manager said two facilities were built in the 1990's.

Mr. Nemeth asked if officials plan to establish a fund 63. The Business Manager said they feel one is not necessary since the liability will be eliminated.

Motion: Ms. Henson made a motion to approve a pension bond issue in the amount of \$3.8 million. Ms. Johnson seconded the motion, which favorably carried 7-0.

Northwestern School Corporation, Howard County: Officials requested approval of a lease rental agreement with maximum annual rental payments of \$135,000 for 21 years. Tax rate impact is \$0.0197. A new facility rate impact of \$0.0037 is planned. There was an application for a petition and remonstrance process with a vote of 2,243 in favor and 1,217 against the project. Common construction wage information was not provided.

Present for the hearing was Ryan Snoddy, Superintendent; James McIntyre, School Attorney; James Elizondo, City Securities and Andy Hollenbeck and Jane Herndon, Ice Miller.

Project: The project includes the construction of a new physical education field house at Northwestern Elementary School. The new physical education field house to be constructed at NW Elementary will include an indoor running track surrounding 2 basketball/volleyball/tennis courts and will have dividing curtains to divide the area for multiple teaching and practice spaces.

Comments: The Superintendent spoke about the proposed project. This is the last piece of a larger project presented earlier this year. The earlier project included the middle school, high school and two elementary schools. This project changes the gym at Northwestern Elementary School to a field house. Officials advertised this project separately from the rest to get the other projects moving as they were not controversial. The field house would be used during the day by the K-6th grade students and them and others in the evening. The school won the petition and remonstrance process by a nearly 2 to 1 margin.

Mr. Bowen asked if the field house would be an addition on the facility and the Superintendent replied yes. Mr. Bowen asked if the common construction wage was completed again. The

Superintendent explained the prior scale was good until August 25, 2004. Officials confirmed with state officials the 180 days begins from the date of the common wage hearing.

Ms. Henson asked if the scale expires August 25, 2004, do they need DLGF approval. Ms. Herndon said no. The Superintendent said they plan to receive bids on August 24, 2004.

Mr. Bowen asked if they have already bid both projects. The Superintendent said the bids for the field house just came in yesterday and have not been reviewed yet. Mr. Bowen asked about the filed house. The architect said it would be a pre-engineered metal building with a frame and masonry exterior. The floors will be wood flooring over concrete.

Mr. Barnes asked about the interior of the facility. The Superintendent said the two courts will not be regulation-sized and not intended for spectators. There may be movable seating for 100 people.

Mr. Nemeth asked why the community objected to the project. The Superintendent said officials went through ten years of planning and the community was not happy as to how this part was included in the project. This elementary school is in need of indoor physical education facilities.

Ms. Henson asked if the field house bids are contingent upon the approval of this project by the control board and DLGF. The Superintendent said they are prepared to proceed with the regular gymnasium if necessary. Ms. Henson asked what the school board vote was at the August 17, 2004 lease hearing and the Superintendent replied 5 to 0.

Mr. Bronnert questioned the 21-year term for such a small project. The Superintendent said both projects would be included in one amortization schedule. Mr. Elizondo said the projects would be covered under one lease. They expect the term will ultimately be 17 years.

Motion: Mr. Barnes made a motion to approve a lease rental agreement with maximum annual payments of \$135,000 for 21 years. Ms. Johnson seconded the motion, which favorably carried 7-0.

Adjournment: There was no further business to discuss and the meeting was adjourned.